COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF INTERNATIONAL)
TELECHARGE, INC. FOR A CERTIFICATE)
OF PUBLIC CONVENIENCE AND NECESSITY)
TO OPERATE AS A RESELLER OF) CASE NO. 10002
TELECOMMUNICATIONS SERVICES WITHIN)
THE STATE OF KENTUCKY)

O R D E R

On August 24, 1988, the Commission entered an Order denying International Telecharge, Inc. ("ITI") authority to provide telecommunications services in Kentucky. On September 13, 1988, ITI filed an Application for Rehearing. With the exception of one issue, rehearing was granted by Order dated October 3, 1988. The Commission has not entered its Order on Rehearing.

On March 22, 1989, the Commission issued an Interim Order on Rehearing, based on an Opinion and Order of U.S. District Judge Harold H. Greene, allowing ITI to provide interLATA operator-assisted services from Bell Operating Company ("BOC") pay telephones only. The Order listed minimum conditions for the provision of this service and required ITI to file its tariff for this limited service by April 1, 1989.

United States of America v. Western Electric Company, Inc., 698 F. Supp. 348 (D.D.C., 1988).

On March 31, 1989, ITI filed a tariff, attached hereto and incorporated herein as Appendix A, which was rejected and returned to ITI for modification to ensure that no charges were made for uncompleted calls. ITI filed a revised tariff on June 22, 1989 which modified the definition of "Attempted Delivery" to include a statement that no charges would be made for uncompleted calls; however, this provision has not been included in the body of the tariff rules. In addition, further review of the tariff shows that Sheets 1-26 of the tariff encompass a much broader range of service than the limited service authorized by the March 22, 1989 Interim Order on Rehearing.

The Commission, having reviewed ITI's June 22, 1989 tariff filing and being sufficiently advised, is of the opinion and finds that:

- 1. ITI's June 22, 1989 tariff filing should be rejected.
- 2. ITI should file a revised tariff limited to the provision of operator-assisted services from BOC pay telephones.
- 3. The conditions of service specified in the Commission's March 22, 1989 Interim Order on Rehearing should be set out in the tariff rules so as to be clearly and readily identifiable.

IT IS THEREFORE ORDERED that:

- 1. The tariff filed by ITI on June 22, 1989 is rejected.
- 2. Within 20 days of the date of this Order, ITI shall file a revised tariff with the Commission in accordance with the findings herein.

Kentucky P.S.C. No. 1, Original Sheet No. 9.

PUBLIC SERVICE COMMISSION

ATTEST:

International Telecharge, Inc.

Kentucky P.S.C. No. 1 Original Title Sheet

TELECOMMUNICATIONS SERVICES TARIFF

REGULATIONS AND SCHEDULE OF CHARGES APPLYING TO CUSTOMIZED COMMUNICATIONS SERVICES PROVIDED BY INTERNATIONAL TELECHARGE, INC., (ITI), BETWEEN VARIOUS LOCATIONS WITHIN THE STATE OF KENTUCKY.

Issued:

| THEOTHER TOTAL TOTAL THE | Intern | ational | Telecharge | . Inc. |
|--------------------------|--------|---------|------------|--------|
|--------------------------|--------|---------|------------|--------|

| Kentucky P.S.C. N | io. 1 |
|------------------------------|-------|
| 1st Revised Sheet No. | _1_ |
| Cancelling Original Sheet No | |

CHECK SHEET

The Title Sheet, Check Sheet and sheets 2 through 36, inclusive, of this tariff, are effective as of the date shown.

| SHEET | REVISION | |
|-------|-------------|---|
| 1 | 1st Revised | T |
| 35 | lst Revised | T |

Issued:

Effective:

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TELECOMMUNICATIONS SERVICES TARIFF

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Issued:

CONCURRING CARRIERS

NONE

CONNECTING CARRIERS

NONE

OTHER PARTICIPATING CARRIERS

NONE

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EXPLANATION OF SYMBOLS

- C To signify changed regulation
- D To signify discontinued rate or regulation
- I To signify increased rate
- N To signify new rate or regulation
- R To signify reduced rate
- S To signify reissued matter
- T To signify a change in text but no change in rate or regulation
- M To signify matter relocated without change
- Z To signify a correction

| International | Telecharge. | Inc. |
|---------------|-------------|------|
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TELECOMMUNICATIONS SERVICES TARIFF

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TELECOMMUNICATIONS SERVICES TARIFF

APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to communication services within the state of Kentucky herein as provided by International Telecharge, Inc. (ITI) and/or its concurring carriers.

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TELECOMMUNICATIONS SERVICES TARIFF

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Issued: Effective: April 1, 1989

A. DEFINITION OF TERMS

For the purpose of this tariff, the following definitions shall apply

Access Charges

Rates charged by Local Exchange Companies for the use of switched access facilities.

Access Coordination

Provides for the design, ordering installation coordination, pre-service testing, service turn-up and maintenance on an ITI - or customer-provided local access channel.

Access Line

A dedicated arrangement which connects a customer location to an ITI terminal location or an ITI switching center.

Accounting Code

A code consisting of 2 or more digits which enable customers to identify individual users and thereby allocate the cost of their long distance service.

Administrative Change

The modification of an existing circuit, dedicated access line or port, at the request of the customer, that involves changes to authorization codes, speed numbers, route guide consolidate of billing, or any other administrative change not covered by a Billing Record Change. (See below for definition.)

Application for Service

A standard ITI order form which includes all pertinent billing, technical and other description information which will enable ITI to provide a communication service as required.

Attempted Delivery

Denotes a procedure whereby ITI will attempt to connect an authorized user to the called party. ITI will not bill for uncompleted (unanswered) calls.

Issued:

A. DEFINITION OF TERMS (Cont'd.)

Authorization Code

One or more codes (consisting of 5 or more digits), which are made available to ITI customers to identify themselves and their users as entitled access to and use of ITI services.

Authorized User

A person, firm, corporation or other entity authorized by ITI or a customer to receive or send communications.

Billing Record Change

A change in customer billing address.

Called Station

Denotes the terminating point of a call (i.e., the called telephone number).

Calling Card

A card assigned by local telephone companies which enables users to bill telephone calls to their local telco account. ITI will only accept calls made using calling cards for which validation information has been made available to ITI by the users local telephone company.

Collect Call

A payment arrangement whereby the called station accepts billing for the call placed over ITI's service.

Cancellation of Order

A customer initiated request to discontinue processing a service order, either in part or in its entirety, prior to its completion. Cancellation charges may be assessed for each circuit-end or dedicated access line cancelled from an order prior to its completion under the following circumstances: (1) if the local Telco has confirmed in writing to ITI that the circuit-end or dedicated access line will be installed; or (2) if ITI has already submitted

A. DEFINITION OF TERMS (Cont'd.)

facilities orders to an interconnecting telephone company. (This differs from a Disconnection, see definition.)

Carrier Recognized Holidays

ITI recognizes the following holidays: Christmas Day (December 25), New Years Day (January 1), Independence Day (July 4), Thanksgiving Day, and Labor Day. The rate applicable is the Evening rate, unless a lower rate would normally apply.

Company

International Telecharge, Inc.

Customer

Denotes any individual, partnership, association, joint stock company, trust corporation, governmental agency, orany other entity who subscribes to the services offered in this tariff.

Customer Calling Card Station

The payment arrangement which enables the end user to bill calls to an authorized calling card.

Dedicated Access/Termination

Dedicated Leased Line facilities used between the customer's premises and the ITI terminal for origination or termination of calls.

Disconnection

The disconnection of a circuit, dedicated access line or port connection being used for existing service.

End User

An individual who places and/or accepts calls placed over ITI's services. The end user may or may not be directly responsible for billing of calls, depending upon the payment method selected by the end user.

Issued:

Effective Date: April 1, 1989

Eddie M. Pope, General Counsel 108 S. Akard Dallas, TX 75202

A. DEFINITION OF TERMS (Cont'd.)

Installation

The connection of a circuit, dedicated access line, or port for new or additional service.

Inter-office Channel (IOC)

The long-haul portion of a dedicated circuit that connects two or more points or presence (as defined herein) in distant cities.

Joint User

A person, firm, or corporation designated by the customer as a user of communication facilities furnished to the customer by ITI and to whom a portion of the charges for such facilities are billed under a joint user arrangement.

LATA (Local Access Transport Area)

A geographic area established as required by the Modified Final Judgment in the government's antitrust suit against the Bell System for the provision and administration of communication services.

Local Access Channel

The dedicated line that connects the customer's premise to ITI's point of presence (as defined herein).

Local Access Channel Data Conditioning

Special conditioning of the local access channel of a dedicated circuit in order to meet performance specifications required for processing data over the circuit. The customer is responsible for requesting the specific type of conditioning required.

Local Exchange Carrier

A company which furnishes exchange telephone service.

Issued:

A. DEFINITION OF TERMS (Cont'd.)

Major Credit Card

A universally accepted charge card. MasterCard, VISA, Diners Club, American Express, Carte Blanche and enRoute are examples of major credit cards accepted by ITI.

Operator Station

A service arrangement, other than person-to-person, which requires the assistance of an ITI operator to complete the call.

Operator Surcharge

A fee which may be applied to calls which require the assistance of an ITI Operator. This charge may vary depending upon the payment method selected by the end user.

Person-to-Person

A service arrangement whereby the caller specifies to the ITI operator a particular person, department, mobile station, extension, or office to be reached.

Issued:

A. DEFINITION OF TERMS (Cont'd.)

Physical Change

The modification of an existing circuit, dedicated access line or port, at the request of the customer, requiring some physical change or retermination.

Point of Presence

ITI's physical presence in a LATA (as defined herein). Locations where ITI maintains a Terminal Facility for purposes of providing Customized Communications Service.

Premises

The space designated by a customer at its place or places of business for termination of ITI service, whether for its own communications needs or for the use of its resale customers. In the case of the non-profit sharing group, this term includes space at each sharer's place or places of business, as well as space at the customer's place of business.

Public Pay Telephone

A telephone instrument owned by the local exchange carrier and located on a customer's premises.

Rate Center

A specific geographical location used for determining mileage measurements.

Registration Program

Part 68 of the FCC's Rules and Regulations which permits customer equipment to be directly connected to access facilities and circuits without the requirement for a protective circuitry.

Issued:

A. DEFINITION OF TERMS (Cont'd.)

Station

Any location from which long distance calls may be placed or received.

Subscriber

See Definition of Customer.

Third Party Billing

A payment arrangement which allows the end user to assign billing to a telephone number which is different from the calling or called telephone number.

U.S. Mainland

The District of Columbia and the 48 conterminous states.

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B. RULES AND REGULATIONS

1. UNDERTAKING OF THE CARRIER

- .01 Customized Communications Service is the furnishing of ITI services for communications between specified locations under the terms of this tariff. Service will be provided by ITI alone, or in conjunction with services of other participating, concurring, or connecting carriers.
- .02 Customized Communications Service consists of the furnishing for the use of customers and end users of facilities or services for the transmission communications within the state. All service offerings contained herein anticipate the provision of operator assistance as part of the offering. ITI operator assistance in Spanish is available on a 24-hour basis and is available during normal business hours in other foreign languages. ITI operators provide emergency response services to end users at no charge. Where facilities are available at subscriber locations, ITI's operator assistance includes a TDD enhancement which will provide translation services for the deaf.
- .03 ITI, when acting at the customer's request and as his authorized agent, will make reasonable efforts to arrange for service requirements which may include terminal equipment and circuit conditioning.
- .04 The services provided by ITI enable customers to offer operator assisted services to patrons, employees and guests. In addition, the ITI operator is able to furnish users of its services information such as area code listings, emergency calling services and international calling codes at no charge.

2. LIMITATIONS

.01 Service is offered subject to the availability of facilities and the provisions of this tariff. Local access charges will be paid either directly by ITI or its interexchange carrier provider for the use of switched access facilities.

Issued:

- B. RULES AND REGULATIONS (Cont'd.)
 - 2. LIMITATIONS (Cont'd.)
 - .02 ITI reserves the right to discontinue furnishing service, upon written notice, when necessitated by conditions beyond its control or when the customer is using the service in violation of the provisions of this tariff, or in violation of the law.
 - .03 Service may be discontinued by ITI, without notice to the customer, by blocking traffic to certain countries, cities, or NXX exchanges, or by blocking calls using certain customer authorization codes, when ITI deems it necessary to take such action to prevent unlawful use of its service. ITI will restore service as soon as it can be provided without undue risk, and will, upon request by the customer affected, assign a new authorization code to replace the one that has been deactivated.
 - .04 ITI reserves the right to refuse service to customers and/or end users due to insufficient billing information, invalid telephone numbers, credit card, or calling card numbers, and/or refusal of called party to accept billing.

3. TERMS AND CONDITIONS

- .01 Service is provided and billed on the basis of a minimum period of at least one month, beginning on the date that billing becomes effective, and continues to be provided until cancelled, by the customer, in writing, upon 30 day's written notice.
- .02 Service is offered on a monthly basis, 24 hours per day. It is also offered on a Metered Use basis, as described in Section C. following.
- .03 For the purpose of computing charges in this tariff, a month is considered to have 30 days.
- .04 The name(s) of the customer(s) desiring to subscribe to the service must be stipulated in the application for service.

B. RULES AND REGULATIONS (Cont'd.)

4. LIABILITY

- .01 The liability of ITI for damages arising out of mistakes, omissions, interruptions, delays, errors, or defects in the transmission occurring in the course of furnishing service and not caused by the negligence of the customer or of ITI in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision, shall in no event exceed an amount equivalent to the proportionate charge to the customers for the period of service during which such mistake, omission, interruption, delay, error, or defect in transmission occurs.
- .02 ITI shall be indemnified and held harmless by the customer against:
 - .021 claims for libel, slander, or infringement of copyright arising out of the material, data, information, or other content transmitted over ITI channels; and
 - .022 patent infringement claims arising from combining or connecting ITI furnished channels with apparatus and systems of the customer; and
 - .023 all other claims arising out of any act or omission of the customer in connection with any service provided by ITI.
- .03 ITI is not liable for any act or omission of any other company or companies furnishing a portion of the service.
- .04 ITI does not guarantee or make any warranty with respect to any equipment provided by it where such equipment is used in locations containing an atmosphere which is explosive, prone to fire, dangerous or otherwise unsuitable for such equipment. The customer indemnifies and holds ITI harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by the customer or by any other party or persons, for any personal injury to or

Issued:

- B. RULES AND REGULATIONS (Cont'd.)
 - 4. LIABILITY (Cont'd.)

.04 (Cont'd.)

death of any person or persons, and for any loss, damage, or destruction of any property, whether owned by the customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of such equipment so used.

.05 The customer indemnifies and holds ITI harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by the customer or by any other party or persons, for any personal injury to, or death of, any person or persons, whether owned by the customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of such equipment where such installation, operations, failure to operate, maintenance, condition, location, or use is not the direct result of ITI's negligence.

.06 ITI is not liable for any defacement of, or damage to, the premises of a customer resulting from the furnishing of services or the attachment of instruments, apparatus, and associated wiring furnished by ITI on such customer's premises or by the installation or removal thereof, when such defacement of damage is not the result of ITI negligence. No agents or employees of other participating carriers shall be deemed to be agents or employees of ITI without written authorization.

.07 The Customer is responsible for taking all necessary legal steps for interconnecting the customer-provided terminal equipment or communications systems with ITI facilities or services. He shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection.

Issued:

- B. RULES AND REGULATIONS (Cont'd).
 - 4. LIABILITY (Cont'd.)

.08 The customer shall ensure that the equipment and/or system is properly interfaced with ITI facilities or services, that the signals emitted into ITI network are of the proper mode, bandwidth, power, and signal level for the intended use of the customer and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, ITI will permit such equipment to be connected with its channels without the use of protective interface devices.

If the customer fails to maintain the equipment and/or system properly, with resulting imminent harm to ITI equipment, personnel, or the quality of service to other customers, ITI may, upon written notice, require the use of protective equipment at the customer's expense. If this fails to produce satisfactory quality and safety, ITI may, upon written notice, terminate the customer's service.

- 09. The customer is responsible for compliance with all federal, state or local laws or regulations concerning the interconnection of the equipment to the public network. The customer is specifically responsible for posting and maintenance of any notification required by any federal, state or local regulatory authority. If ITI is notified that the customer has failed to comply with any applicable law or regulation, ITI will require the customer to comply. If the customer does not comply within a reasonable time, ITI will terminate the customer's service.
- 5. CANCELLATION OF SERVICE BY A CUSTOMER
 - .01 If a customer cancels an order for service before the service begins, before completion of the minimum period, or before completion of some other period mutually agreed upon by the customer and ITI, a charge will be levied upon the customer for the non-recoverable portions of expenditures or liabilities incurred expressly on behalf of the customer by ITI and not fully reimbursed by installation and monthly charges. If, based on an order by a customer, any construction has either begun or been completed, but no services provided, the non-recoverable cost of such construction shall be borne by the customer.

Issued:

- B. RULES AND REGULATIONS (Cont'd).
 - 5. CANCELLATION OF SERVICE BY A CUSTOMER (Cont'd.)
 - .02 If an order for installation is delayed for more than 30 days beyond the due date, and such delay is not requested or caused by the customer, the customer may cancel the order without incurring cancellation charges.

6. USE OF SERVICE

- .01 The services offered herein may not be used for the unauthorized provision of Message Telecommunications Service, Operator Service, or Wide Area Telecommunications Service equivalents as defined by the appropriate governing body. Service furnished by ITI may be used for one or more of the following:
 - .011 for the transmission of communications by the customer.
 - .012 for the transmission of communications to or from an authorized user, joint user, or end user as defined herein.
 - .013 for the transmission of communications to or from a customer of another common carrier, which has subscribed to ITI's communications services.
- .02 Service furnished by ITI may be arranged and/or extended for joint use or authorized use. The joint user or authorized user shall be permitted to use such service in the same manner as the customer, but subject to the following:
 - .021 The joint user or authorized user may be designated as the customer. The designated customer does not necessarily have to have communications requirements of his or her own. The customer must specifically name all joint users or authorized users in the Application for Service. Orders which involve the start, rearrangement or discontinuance of joint use or authorized use service will be accepted by ITI only from that customer and will be subject to all regulations of this tariff.

Issued:

- B. RULES AND REGULATIONS (Cont'd).
 - 6. USE OF SERVICE (Cont'd.)
 - .022 All charges for the service will be computed as if the service were to be billed to one customer. The joint user or authorized user which has been designated as the customer will be billed for all components of the service and will be responsible for all payments to the company. In the event that the designated customer fails to pay the company each joint user or authorized user shall be liable to the company for all charges incurred as a result of its use of ITI's Service. Each joint or authorized user must submit to the designated customer a letter accepting contingent liability for its portion of all charges billed by the company to the designated customer. This letter must also specify that the joint or authorized user understands that the company will receive a copy of the guaranty from the designated customer. The customer shall be responsible for allocating charges to each joint user or authorized user.
 - .03 Service furnished by ITI may be arranged for use of public pay phone users, patrons of businesses and retail establishments, or travelers. Payment for ITI's service in such instances is the ultimate responsibility of the end user or called party. Payment arrangements are mutually agreed upon by ITI and the end user prior to the completion of a telephone call. Payment options are set forth in Section B.7 of this tariff.
 - .04 Service furnished by ITI shall not be used:
 - .041 For any unlawful purpose.

7. PAYMENT ARRANGEMENTS

.01 The customer or end user is responsible for payment of all charges for services furnished by ITI. Charges for installation, physical or administrative changes, expedites, or for cancellation of order are payable upon completion. If, because of any such activity a non-ITI carrier or supplier levies additional charges, these charges shall be passed on to the customer. Recurring charges are billed in advance.

Issued:

Effective: April 1, 1989

Eddie M. Pope, General Counsel 108 S. Akard Dallas, TX 75202

- B. RULES AND REGULATIONS (Cont'd.)
 - 7. PAYMENT ARRANGEMENTS (Cont'd.)
 - .02 Billing will be payable upon receipt. Interest at the rate of 1.5% per month (unless proscribed by law, in which event at the highest rate allowed by law) will accrue upon any unpaid amount commencing 35 days after date of billing. ITI offers pre-payment credits which are considered to be financial transactions and are the subject of separate letter agreements.
 - .03 Applicants, users, or customers whose financial condition is not acceptable to ITI, or is not a matter of general knowledge, may be required at any time to make a deposit up to an amount equalling the installation charges, if applicable, not to exceed two-twelths of an estimated annual charge for the service to be provided. In the case of a cash deposit, interest at the rate paid in that locality for escrow accounts will be paid for the period during which the deposit is held by ITI. At ITI's option, such deposit may be refunded or credited to the customer at any time prior to termination of service.
 - .04 The charges set forth in this tariff for channel terminations contemplate installations made in normal locations and under normal working conditions. Any installation to be made under other circumstances are subject to additional charges.
 - .05 If notice of a dispute as to charges is not received by ITI within 30 days after an invoice is rendered, such invoice may be deemed to be correct and binding upon the customer or end user.
 - .06 A surcharge for operator assistance and/or payment method, as defined herein, may be applied to an end user's invoice for services rendered.

- B. RULES AND REGULATIONS (Cont'd.)
 - 8. CHANGE IN SERVICE ARRANGEMENT

When a change in service arrangement involves the continued use by the customer of facilities or services furnished by ITI, installation charges do not apply to the facilities or services continued in use is determined from the date of the initial acceptance thereof.

9. RESTORATION OF SERVICE

The use and restoration of service in emergencies shall be in accordance with Part 64, Subpart D of the Federal Communications Commission's Rules and Regulations, which specifies the priority system for such activities.

10. INSPECTION

ITI, or its authorized agents, may, upon reasonable notice, make such tests and inspections as may be necessary to determine that the requirements of this tariff are being complied with the installation, operational, or maintenance specifications of the customer or ITI equipment. ITI may interrupt the service at any time, without penalty to ITI, because of departure from any of these requirements.

11. CANCELLATION FOR CAUSE BY ITI (SEE SECTION B.5 FOR CANCELLATION OF SERVICE BY CUSTOMER)

.01 Upon nonpayment of any sum owing to ITI, or upon a violation of any of the provisions governing the furnishing of service under this tariff, ITI may, upon written notification to the customer, without incurring any liability, immediately discontinue the furnishing of such service.

B. RULES AND REGULATIONS (Cont'd.)

12. TESTING AND ADJUSTING

Upon reasonable notice, the facilities and/or services provided by ITI shall be made available to ITI for such tests and adjustments as may be necessary to maintain them in satisfactory condition; no interruption allowance will be granted for the time during which such tests and adjustments are made.

13. ALLOWANCE FOR INTERRUPTIONS

The following section will apply for credit allowance for interruptions, except as otherwise provided for in this tariff.

.01 Credits for interruption of metered use services will be allowed on a minute for minute or, at the user's option, a replacement call will be provided.

14. INTERCONNECTION WITH OTHER CARRIERS

- .01 Service furnished by ITI may be connected with services or facilities of another participating carrier. Such interconnection may be made at an ITI Terminal or Entrance Site, at a terminal of another participating carrier, or at the premises of a customer, joint user, or authorized user. Service furnished by ITI is not part of a joint undertaking with such other carriers.
- .02 Any special interface equipment or facilities necessary to achieve compatibility between the facilities of ITI and other participating carriers shall be provided at the customer's expenses. Upon customer request and acting as his authorized agent, ITI will attempt to make the necessary arrangements for such interconnection.
- .03 Service furnished by ITI may be connected with the facilities or services of other participating carriers under the terms and conditions of the other participating carriers' tariffs applicable to such connections.

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TELECOMMUNICATIONS SERVICES TARIFF

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- C. SERVICE DESCRIPTIONS OF CUSTOMIZED COMMUNICATIONS SERVICE
 - 1. GENERAL DESCRIPTION OF CUSTOMIZED COMMUNICATION SERVICES
 - .01 Customized Communications Services are offered to subscribers on a full time/monthly basis. The service enables guest, patrons, employees and other authorized users to place long distance calls from the customer premise to locations within the state. ITI operators will identify ITI as the carrier on all calls intercepted by an ITI operator. Calls placed through ITI operators or automated calls shall identify ITI as the carrier of the transmission.
 - .02 ITI offers its services subject to the availability of the necessary facilities and/or equipment. ITI reserves the right to refuse to provide service to or from any location where the necessary facilities and/or equipment are not available.
 - .03 The following is a list of the Customized Communications Services provided by ITI and the references for the description and appropriate rates:

| SERVICE | SECTION | PAGE |
|----------------------|---------|------|
| Public Pay Telephone | C.2 | 33 |

.04 Cities of Origination: ITI's Customized Communications Service is available in all cities within the State.

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- C. SERVICE DESCRIPTIONS OF CUSTOMIZED COMMUNICATIONS SERVICE (Cont'd.)
 - .05 Mileage Between Rate Centers

For the purpose of determining airline mileage, vertical and horizontal grid lines have been established across the United States and Canada. The spacing between adjacent vertical gridlines and between horizontal grid lines represents a distance of one coordinate unit. This unit is the square root of 0.1, expressed in statute miles. A vertical (V) and a horizontal (H) coordinate is computed for each local exchange company primary serving office and serving office from its latitude and longitude location by use of appropriate map-projection equations. A pair of V-H coordinates locates a primary serving office or serving office for determining airline mileage, at a particular intersection of an established vertical grid line with an established horizontal grid line. The distance between any two primary serving offices or serving offices is the airline mileage computed as explained below.

To determine the rate distance between any two primary serving offices or serving offices proceed as follows:

- 1. Obtain the "V" and "H" coordinates for each local exchange company primary serving office or serving office.
- 2. Obtain the differences between the "V" coordinates of the two primary serving offices or serving offices. Obtain the difference between the "H" coordinates.

NOTE: The difference is always obtained by subtracting the smaller coordinate from the larger coordinate.

- C. SERVICE DESCRIPTIONS OF CUSTOMIZED COMMUNICATIONS SERVICE (Cont'd.)
 - .05 Mileage Between Rate Centers (Cont'd)
 - 3. Square each difference obtained in 2. above.
 - 4. Add the squares of the "V" difference and the "H" difference obtained in 3. above.
 - 5. Divide the sum of the squares obtained in 4. above by 10.
 - 6. Obtain the square root of the result obtained in 5. above. This is the interexchange rate distance in miles. (Fractional miles are rounded to the next higher miles).

Example:

The rate distance is required between Louisville and Winchester, Kentucky.

Formula: $\frac{(6529-6441)^2}{10} + \frac{(2772-2509)^2}{10}$

Distance equals 88 miles.

- C. SERVICE DESCRIPTIONS OF CUSTOMIZED COMMUNICATIONS SERVICE (Cont'd.)
 - 2. PUBLIC PAY TELEPHONE SERVICE
 - .01 General Description

Public Pay Telephone Service offers the use of intercity communications facilities shared among multiple users. Calls initiated at subscriber locations are automatically routed to ITI for handling. Users may select from a variety of billing methods as described herein. A monthly listing of each call and its duration is available as a standard feature for calls billed to a telephone number. This option may not be available to calls charged to a major credit card.

Issued:

- C. SERVICE DESCRIPTIONS OF CUSTOMIZED COMMUNICATIONS SERVICE (Cont'd.)
 - 2. PUBLIC PAY TELEPHONE SERVICE (Cont'd.)

Service is a one-way multipoint service oriented toward public pay telephones. This service enables guests, patrons, employees and other authorized users to place operator assisted long distance calls. The caller may select a billing method in accordance with his or her preference. Calls are initially intercepted by an ITI operator who will obtain the appropriate billing information; or the caller may enter billing information directly. The call will then be terminated. This service is available in the locations listed in Section C.1.05. Rates and charges are described in Section D.

Issued:

Kentucky P.S.C. No. 1
1st Reviced Sheet No. 35
Cancelling Original Sheet No. 35

TELECOMMUNICATIONS SERVICES TARIFF

D. RATES AND CHARGES

This section sets forth the rates and charges applicable to ITI's Public Pay Telephone Service offering. The intercity mileage between the originating and terminating points of each call is used to determine the applicable per minute rate step to be applied to each call carried by ITI. Calls are measured and billed in 1-minute increments; fractional minutes of use are rounded up to the next full minute. Upon request of any caller ITI will provide information regarding its rates.

1. PUBLIC PAY TELEPHONE SERVICE

The rates and charges set forth in this section are applicable to calls originating and terminating within the State. Charges may be billed to a local telephone number, major credit card or to the called party. Calls billed to N a major credit card will receive a 5% discount.

a. InterLATA Service

The following usage charges are applicable to calls pursuant to Option A.

InterLATA Base Rate Schedule

| RATE | | EACH ADD'L |
|---------|------------|------------|
| MILEAGE | 1ST MINUTE | MINUTE |
| 0-10 | \$0.26 | \$0.19 |
| 11-16 | \$0.26 | \$0.19 |
| 17-22 | \$0.31 | \$0.24 |
| 23-30 | \$0.31 | \$0.24 |
| 31-55 | \$0.40 | \$0.32 |
| 56-85 | \$0.48 | \$0.35 |
| 86-124 | \$0.55 | \$0.38 |
| 125-196 | \$0.59 | \$0.40 |
| 197-292 | \$0.63 | \$0.44 |
| 293-430 | \$0.66 | \$0.47 |

Issued:

Effective:

D. RATES AND CHARGES (Cont'd.)

a. InterLATA Service (Cont'd.)

Time-of-Day Discounts:

<u>Day Rate Period</u>: InterLATA calls placed between 8 a.m. - 5 p.m. Monday - Friday will be billed at the base rates set forth above.

Evening Rate Period: InterLATA calls placed between 5 p.m. and 11 p.m., Sunday - Friday and carrier recognized holidays will receive a 25% discount off base rates.

Night/Weekend Rate Period: InterLATA calls placed between 11 p.m. and 8 a.m. Sunday - Friday, all day Saturday, and Sunday, midnight - 5 p.m. will be discounted 50% off base rates.

b. Directory Assistance

Calls placed to Directory Assistance services are billed at a fixed per call rate, as set forth below. Operator surcharges do not apply to Directory Assistance calls.

Rate Per Call

\$0.20

c. Operator Surcharges

Calls placed under Option A, as described in Section C.2 will be subject to operator surcharges. These charges apply on a per call basis and will be included with usage charges on a user's monthly invoice of charges.

| Person-to-Person | Calls | \$2.25 |
|------------------|-------|--------|
| Operator Station | Calls | \$1.40 |
| Calling Card | | \$0.50 |

d. IntraLATA Service

ITI is not authorized to provide intraLATA service in Kentucky. ITI shall comply with requirements of the Kentucky Public Service Commission Order in Administrative Case No. 273. Service may be terminated to any customer failing to comply with these requirements in accordance with the provisions of Section B.4.09, Sheet 21 of this tariff.

Issued: